

**Department of Defense  
Property, Plant and Equipment (PP&E) Policy  
Office of the Under Secretary of Defense (Acquisition, Technology and  
Logistics)**

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**Property in the Possession of Contractors  
“A Far to Bridge”  
May 20, 2003**

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**PP&E Policy, OUSD(AT&L)  
(703) 604-6350 x101**

# The Plan

- **Simplify: Combine all requirements into a single property clause**
- **Update: Remove obsolete language**
- **Sanction: Industry leading practices for property management**
- **Clarify: The context**

## Example

Current:: “Contractor records...are the Government’s official Government property records.

Duplicate official records shall not be furnished, to or maintained by, Government personnel.”

Changes to: *“The contractor shall establish and maintain property records...in accordance with industry leading practice.” Contractor records of Government property*

*shall not be construed as substituting for the Governments’ fiduciary requirements or responsibilities.*



## **CHANGES COMING**

**“If the Government determines that industry leading practice is not sufficient (not in the Government’s best interest):**

**A separate “Government approved” property control procedure will be required (separately funded and documented by a contract line-item)**

**The Property Administrator shall review and approve such procedures in accordance with Agency instructions [DoD 41651.2-M]”**



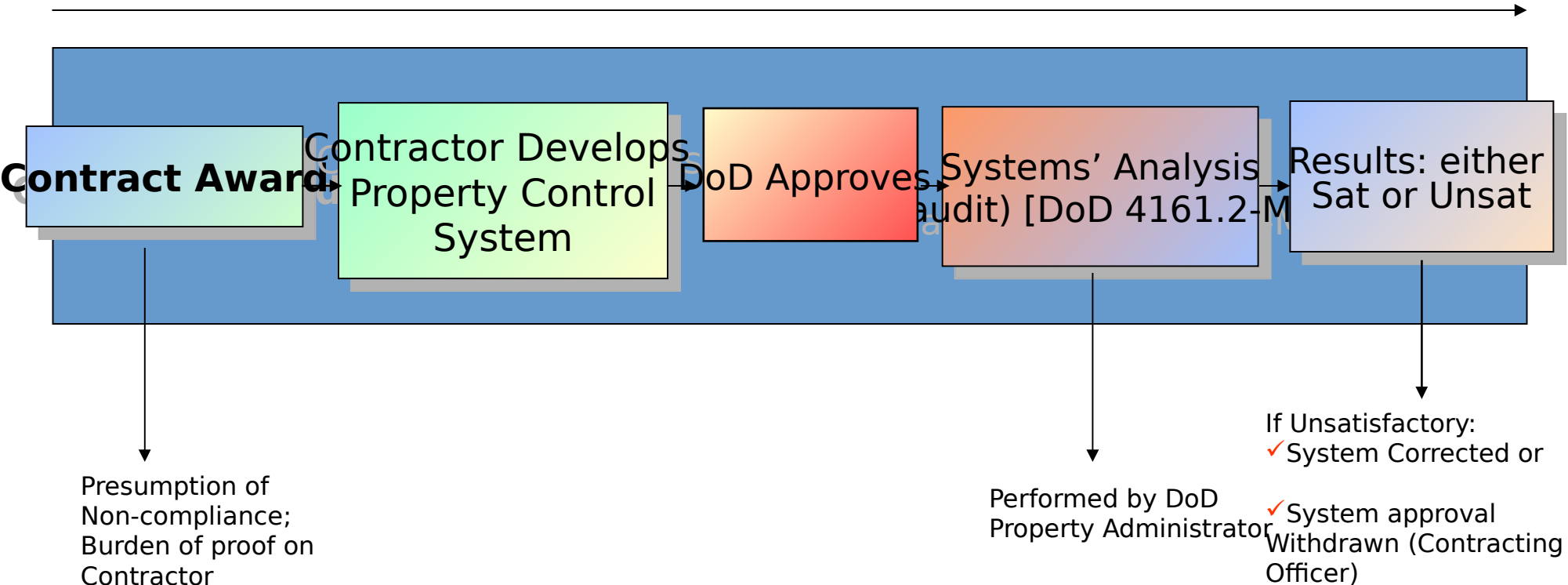
## **CHANGES (Cont.)**

**“If the Contractor demonstrates an inability to meet industry leading practice (through the standard systems’ analysis:**

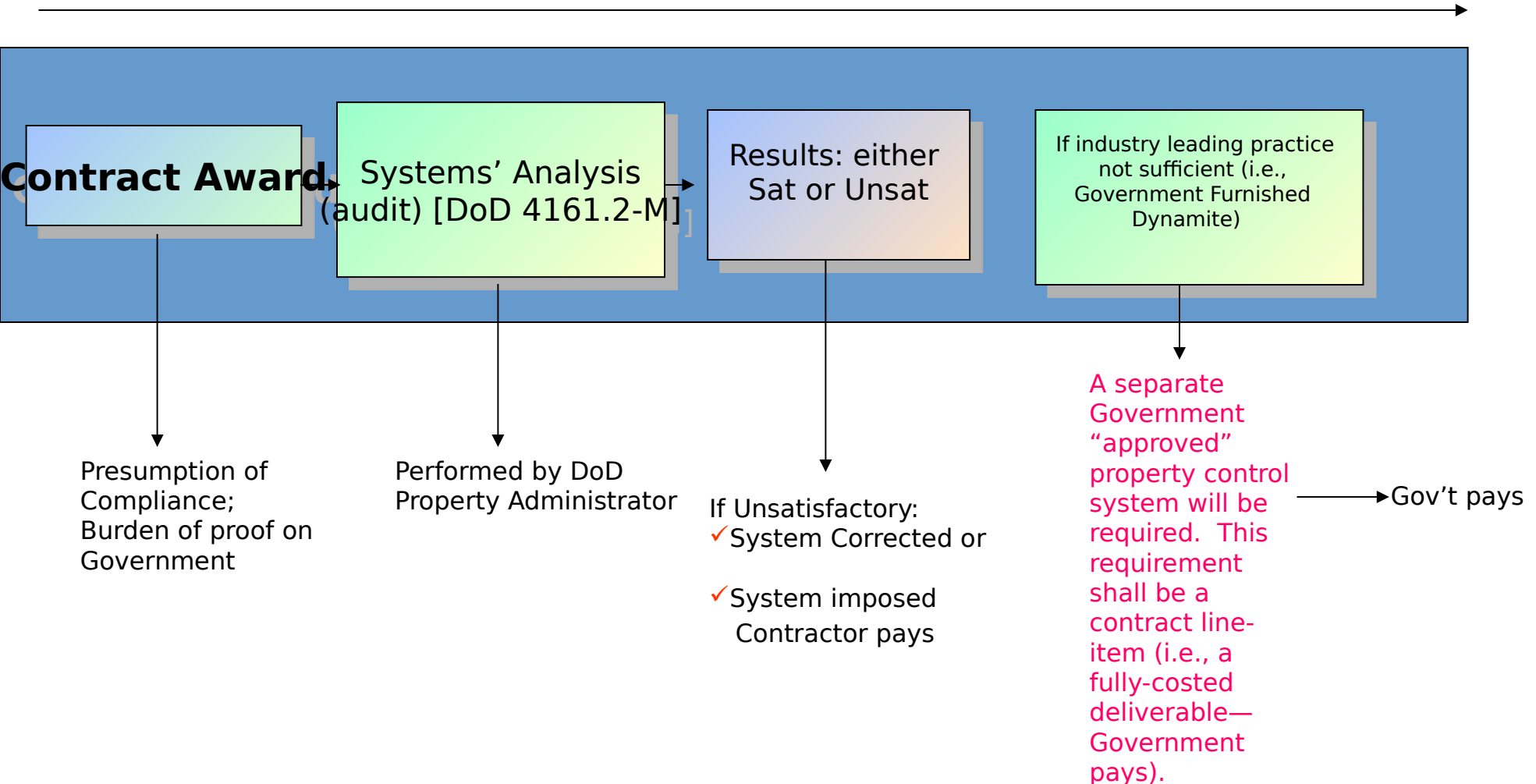
**The Contracting Officer shall request the contractor prepare and submit formal property control procedures. The Property Administrator shall review and approve such procedures in accordance with Agency instructions [DoD 4161.2-M]**


**The Contracting Officer shall obtain appropriate consideration from the contractor.”**

## CURRENT PROCESS



## PROPOSED PROCESS:



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- Leading Practice: “Strategies and processes that are both quantifiably and qualitatively demonstrated to be top performing”
  - Best Practices: “the marriage of applied behavior and knowledge - that have been demonstrated and validated to yield a competitive advantage for organizations that employ them”